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FM AMEMBASSY DAMASCUS

TO RUEHC/SECSTATE WASHDC IMMEDIATE 1316
INFO RUEHEE/ARAB LEAGUE COLLECTIVE PRIORITY
RUEHTV/AMEMBASSY TEL AVIV PRIORITY 1271
RHEHNSC/NSC WASHDC PRIORITY
RUMICEA/USCENTCOM INTEL CEN MACDILL AFB FL PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RHEHAAA/WHITE HOUSE WASHDC PRIORITY
RUCNDT/USMISSION USUN NEW YORK PRIORITY 0160

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SIPDIS

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TAGS: ECON ENRG ETRD PREL SY
SUBJECT: THE SARG PLAYS WITH THE POWER SWITCH TO LEBANON

REF: 05 DAMASCUS 4675

¶1. (SBU) Summary. Though the SARG's chronic electricity shortage has recently threatened to turn acute, its most recent cutoff of electricity to Lebanon appears to have been an attempt to remind the GOL that Syria holds the economic levers in the bilateral relationship. End summary.

¶2. (U) After a week-long suspension, the SARG restored electricity transmissions to Lebanon on August 25. Syria currently supplies Lebanon with 100 to 140 megawatts of electricity through two transmission lines) 110 megawatts to northern Lebanon via the Tartous-Deir Nabbouth 230 kilovolt (KV) line, and 30 megawatts to the Baqa, a valley via the Dimas-Anjar 66 KV line. Syria also exports electricity to Iraq and Jordan, but there is no evidence of any suspension of exports to either of these countries.

¶3. (SBU) This month's outage was the fourth time in the last year that the SARG had cut electricity transmissions to Lebanon. In September 2005, following months of negotiations, the SARG restored electricity transmissions to Lebanon after a suspension that followed the Syrian troop withdrawal months before (reftel). The SARG again suspended electricity transmissions in October 2005, citing non-payment of an old debt as the reason, but the suspension was widely viewed here as part of the deteriorating bilateral relations associated with the Mehlis investigation and the run up to the UNSCR 1636.

¶4. (SBU) The only apparent legitimate disruption happened in June 2006 when the SARG cut electricity to Lebanon for a third time for &technical reasons.⁸ The power was restored in a matter of days with little comment. The latest power incident began on August 19, when a copy of a letter from the Syrian Director General of Power Generation and Transmission addressed to his Lebanese counterpart was published in a locally distributed Lebanese paper. In his letter, the Director General stated that the SARG would stop electricity transmission to Lebanon for technical reasons. The SARG initially blamed problems with transmissions from Egypt for the need to cut electricity to Lebanon only to change excuses when GOE officials denied the SARG assertion that the problem had anything to do with their network. On August 23, the Syrian minister of electricity, Ahmad Ali, publicly announced electricity exports to Lebanon had been restored, claiming this time the interruption had to do with technical problems in the Syrian electricity grid.

¶5. (U) Although even our Syrian interlocutors discount the Minister's explanation of the interruption, the SARG's power sector is hamstrung by a number of chronic problems. First, production cannot keep up with demand, which is currently increasing at ten percent per year. Second, there have been delays in bringing the new 750 megawatt power plant in Deir Ali on-line. Additionally, four of Syria's 13 power plants are currently off-line for maintenance and upgrades. This leaves Syria currently 750 megawatts short of demand, which has translated into increasingly frequent power outages of six to ten hours in various parts of the country, excluding Damascus.

¶6. (SBU) Comment. The SARG's usually modest shortage of electricity has peaked recently giving its claim of &technical problems⁸ some basis. It also has, however, a track record of using electricity exports as a political lever against Lebanon. Most sources believe that the most recent suspension of electricity exports to Lebanon was a warning shot intended to remind the GOL there are potential economic costs for its present political course. This reasoning certainly jibes with the SARG's repeated threats to close the Lebanese border if UNIFIL troops take up positions there.

CORBIN